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OFFICE OF PETITIONS

In re Patent No. 5,748,740
Issue Date: May 5, 1998
Application No. 08/594,983
Filed: January 31, 1996
Attorney Docket No. 20661/457

ON PETITION

This is a decision on the renewed petition under 37 CFR 1.378(b), filed October 27, 2010, to accept the unavoidably delayed payment of a maintenance fee for the above-identified patent.

The petition is **DENIED**¹.

BACKGROUND

The above-identified patent issued May 5, 1998. The first (3 ½ year) maintenance fee was due May 5, 2002 and could have been paid from May 5, 2001 through November 5, 2001, or with a surcharge during the period from November 6, 2001 through May 5, 2002. Accordingly, the patent expired at midnight May 5, 2002, for failure to timely submit the first maintenance fee.

A first petition to accept the first (3 ½ year) maintenance fee as unavoidably delayed under 37 CFR 1.378(b) was filed July 12, 2010, and was dismissed in the decision of August 27, 2010. Thus, the earliest the first (3 ½ year) maintenance fee was on filed at the USPTO was 8 years and 5 months after the end of the period.

A renewed petition under 37 CFR 1.378(b) was filed October 27, 2010. Petitioner requested reconsideration and provided the answers to the inquiries for additional information set forth in the adverse decision of August 27, 2010. Petitioners contended that the law firm of Jenkins & Gilchrist, LLC was responsible for notifying the Dallas/Maxim (the Petitioner) when maintenance fees were due and also paying those fees when instructed to do so by Dallas/Maxim

¹ This decision may be view by petitioner as a final agency action within the meaning of 5 USC 704 for purposes of seeking judicial review.
See MPEP 1002.02.

and that the delay was unavoidable due to the failure of Jenkins & Gilchrist, LLC to properly docket the above-identified patent for maintenance fee payment.

STATUTE, REGULATIONS AND EXAMINING PROCEDURE

35 U.S.C. § (2)(b)(2) provides, in part, that:

The Office— may, establish regulations, not inconsistent with law, which

(A) Shall govern for the conduct of proceeding in the Office.

35 U.S.C. § 41(c)(1) provides that:

The Director may accept the payment of any maintenance fee required by subsection (b) of this section which is made within twenty-four months after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unintentional, or at any time after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unavoidable. The Director may require the payment of a surcharge as a condition of accepting payment of any maintenance fee after the six-month grace period, the patent shall be considered as not having expired at the end of the grace period.

37 CFR 1.378(b) provides that:

(b) Any petition to accept an unavoidably delayed payment of a maintenance fee filed under paragraph (a) of this section must include:

(1) The required maintenance fee set forth in §1.20(e) through (g);

(2) the surcharge set forth in §1.20(i)(1)' and

(3) A showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent. The showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly.

37 CFR 1.378(c) provides that:

Any petition to accept an unintentionally delayed payment of a maintenance fee filed under paragraph (a) of this section must be filed within twenty-four months after the six-month grace period provided in §1.362(e) and must include:

(1) The required maintenance fee set forth in §1.20(e) (g);

- (2) The surcharge set forth in §1.20(i)(2) ; and
- (3) A statement that the delay in payment of the maintenance fee was unintentional.

OPINION

Petitioner requests reconsideration of the previous adverse decision on the petition filed under 37 CFR 1.378(b) and submits that as methods of paying and tracking the maintenance fees by Jenkins & Gilchrist, LLC worked in the past, the expiry of the instant patent was unavoidable.

Petitioner has not met the burden of proving to the satisfaction of the director that the delay was unavoidable within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(C).

A late maintenance fee payment is considered under the same standard as that for reviving an abandoned application under 35 U.S.C. § 133 because 35 U.S.C. § 41(c)(1) uses the identical language, i.e., “unavoidable” delay. Ray v. Lehman, 55 F.3d 606, 608 09, 34USPQ2d 1786, 1787 (Fed Cir. 1995)(quoting In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm’r Pat. 1988)). Decisions on reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable:

The word unavoidable... is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business. It permits them in the exercise of this care to rely upon the ordinary and trustworthy agencies of mail and telegraph, worthy and reliable employees, and such other means and instrumentalities as are usually employed in such important business. If unexpectedly, or through the unforeseen fault or imperfection of these agencies and instrumentalities, the occurrence or a failure, it may properly be said to be unavoidable, all other conditions of promptness in its rectification being present.

In re Mattullath, 38 App. D.C. 497, 514-515 (D.C. Cir. 1912) (quoting Ex parte Pratt, 1887 Dec Comm’r Pat. 31, 32 ,, (Comm’r Pat. 1887) see also Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141. In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account." Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

35 USC § 41(b) requires the payment of fees at specified intervals to maintain a patent in force, rather than some response to a specific action by the Office under 35 USC § 133, a reasonably prudent person in the exercise of due care and diligence would have taken steps to ensure the timely payment of such maintenance fees. Ray v. Lehman, 55 F.3D 606, 609, 34 USPQ2d 1786, 1788 (Fed. Cir. 1995). That is, adequate showing that the delay in payment of the maintenance fee at issue was “unavoidable” within the meaning of 35 USC § 41(c) and 37 CFR 1.378(b)(3) requires a showing that the steps taken by the responsible party to ensure the timely payment of the maintenance fee for this patent. Id.

As the patent holder at the time of expiration, it was incumbent on petitioner to have itself docketed this patent for payment of the maintenance fee in a reliable system as would be employed by a prudent and careful person with respect to his most important business, or to have engaged another for that purpose. See California Medical Products v. Technol Med. Prod., 921 F.Supp. 1219, 1259 (D.Del. 1995). Even where another has been relied upon to pay the maintenance fees, such asserted reliance per se does not provide a petitioner with a showing of unavoidable delay within the meaning of 37 CFR § 1.378(b) and 35 USC § 41(c). Id. Rather, such reliance merely shifts the focus of the inquiry from the petitioner to whether the obligated party acted reasonably and prudently. Id. Nevertheless, a petitioner is bound by any errors that may have been committed by the obligated party. Id.

The instant petition asserts that prior to the Merger of Maxim Integrated Products (hereafter “Maxim”) and the Dallas Semiconductor Corporation (hereafter, “Dallas”) each had a working docketing system in place for timely paying maintenance fees. Steven R. Greenfield worked for Jenkins & Gilchrist (herein after Jenkins) in Dallas, Texas between the 1999 and 2005, as a practicing attorney and shareholder in the intellectual property group. During that time Mr. Greenfield states that he was responsible for certain patents and patent applications assigned to Dallas prior to and after the merger, as well as, the patent applications assigned to Maxim.

Jenkins & Gilchrist, prior to the merger, was responsible for and obligated to: manage, docket and track patent maintenance fee due dates and payments for all Dallas/Maxim patents managed by Jenkins. Jenkins was also responsible for requesting instructions or an authorization from Dallas and/or Maxim to pay patent maintenance fees for all Dallas/Maxim patents managed by Jenkins.

Mr. Greenfield also states that he was familiar with the Dallas/Maxim maintenance fee payment procedure that was in place for the patents assigned to Dallas/Maxim. To the best of his recollection the maintenance fee payment procedure was as follows”

- a. When the US Patent Issue Notification was received from the USPTO the maintenance due date was docketed into Jenkins’ Master Data Docket system.
- b. The Docket system calculated a patent maintenance fee reminder date. A patent maintenance fee reminder date is a date used to remind a Jenkins attorney to contact Dallas/Maxim by letter or e-mail and request instructions or an authorization from Dallas/Maxim to pay the upcoming maintenance fee for the particular patent.
- c. The patent maintenance fee reminder date was set to remind a Jenkins attorney to send a letter/e-mail to Dallas/Maxim requesting instructions or an authorization to pay the patent maintenance fee about six (6) months prior to the 3 ½ year maintenance fee due date (without surcharge).
- d. After an initial letter/e-mail was sent Dallas/Maxim requesting authorization to pay a maintenance fee, the docketing system was updated to look for an

authorization or instruction from Dallas/Maxim a preset number of days prior to the maintenance fee due date.

e. Additional reminder letter/emails were sent and sometime phone calls were made by Jenkins attorneys to Dallas/Maxim when timely instructions or a maintenance fee payment was not timely received by Jenkins from Dallas/Maxim.

f. It was understood by Jenkins, Dallas/Maxim that if no authorization to pay the maintenance fee was received by Jenkins from Dallas/Maxim then Jenkins would not pay the US Patent maintenance fee for a particular patent.

Mr. Greenfield further states that upon review of various pertinent maintenance fee related documents from the '740 Patent's "tri-fold", the first patent maintenance fee letter/e-mail from Jenkins requesting authorization to pay the maintenance fee for the '740 patent should have been sent to Dallas/Maxim between May 5, 2001 and May 20, 2001. The merger between Dallas/Maxim occurred April 11, 2001, which was just prior to the time frame when the letter/e-mail requesting authorization to pay the maintenance fee should have been sent by Jenkins. Mr. Greenfield also states that after the merger between Dallas and Maxim, all of the "tri-fold" patents and patent application files affected by the merger had to physically go through Jenkins docketing personnel to have pertinent changes of address, assignments and other information manually entered/docketed into the Docket System. The general rule at Jenkins was that the whole "tri-fold" file rather than just individual documents from a "tri-fold" folder went to docketing personnel for data/docket entry. The general rule was followed so that individual documents were kept with their "tri-fold" files to minimize document misplacement or loss. To the best of Mr. Greenfield's recollection the docket process of "merger affected files took about five (5) to about ten (10) months to complete due at least in part to the ebb flow and continuing activity of the active patent application involved."

Based on the best of Mr. Greenfield's recollection of how Dallas/Maxim patent files were managed at Jenkins and on his review of certain documents from the '740 "Patent tri-fold" the requisite letter/e-mail requesting authorization to pay the '740 maintenance fee, was never sent to Dallas/Maxim. Further based on the facts, it appears that the requisite letter/e-mail was never sent because the '740 "patent tri-fold" file was caught up in and/or misplaced due to the ebb and flow of the many, many Dallas/Maxim physical "tri-fold" files being stored and moved around on file carts through the manual procedure of entering pertinent information and USPTO filing information into the Docket System associated with the then recent merger of Dallas and Maxim."

Upon further review, the petition and associated documents filed October 27, 2010 further support a break down in Jenkins patent maintenance fee payment procedure. Jenkins docketed the '740 Patent's maintenance fee due date, but no letter or email was sent from Jenkins to Dallas (prior to the April 11, 2001 merger date) or to Maxim (after completion of the merger) requesting instructions or an authorization to pay the first patent maintenance fee for the '740 patent which is completely inconsistent with the normal Jenkins patent maintenance fee payment

procedure for Dallas/Maxim. Mr. Greenfield further states that there is no correspondence in the '740 Patent "tri-fold" file from either Dallas or Maxim providing instruction or authorizing payment of the first maintenance fee. Without authorization to pay the maintenance fee from Dallas/Maxim prior to November 5, 2001 due date, Jenkins would not pay the maintenance fee to the USPTO. Based on the recollection of Mr. Greenfield's knowledge of how Dallas/Maxim patent files were managed at Jenkins and on his review of certain documentation from the '740 Patent "tri-fold" file, it is his contention that the delay in the payment of the first maintenance fee was unavoidable, since reasonable care was taken by Jenkins to ensure that the maintenance fee would be paid. Dallas/Maxim did not get a reminder letter from Jenkins to pay the maintenance fee. The patent maintenance fee payment procedure in place at Jenkins broke down and failed in this instance to request instructions or an authorization to pay the maintenance fee from Dallas/Maxim. In August of 2005, Mr. Greenfield states that he left Jenkins and joined the firm of Howison & Arnott, LLP. In March of 2007, Jenkins and & Gilchrist, LLP disbanded and the Maxim patent and patent applications managed by Jenkins were transferred to the law firm of North, Webber & Baugh, LLP located in Palo Alto, California.

As a patent holder at the time of expiration, it was incumbent on the Dallas/Maxim to have itself docketed this patent for the payment of the maintenance fee in a reliable system as would be employed by a prudent and careful person with respect to his most important business, or to have engaged another for that purpose. See California Medical Products v. Technol Med. Prod., 921 F.Supp. 1219, 1259 (D.Del. 1995). Here Jenkins & Gilchrist, LLP were obligated by Dallas/Maxim to track and pay the maintenance fee. Even where another has been relied upon to pay the maintenance fess, such asserted reliance *per se* does not provide a petitioner with a showing of unavoidable delay within the meaning of 37 CFR § 1.378(b) and 35 USC § 41(c). *Id.* Rather, such reliance merely shifts the focus of the inquiry from the petitioner to whether the obligated party acted reasonably and prudently. *Id.* Nevertheless, a petitioner is bound by any errors that may have been committed by the obligated party. *Id.* See Futures Technology, Ltd. v. Quigg, 684 F. Supp. 430, 431, 7 USPQ2d 1588 (E.D. Va. 1988)(applicant's diligent inquiry into responsible party's performance under a contract is required to show unavoidable delay); Douglas v. Manbeck, 21 USPQ2d 1697, 1699-1700 (E.D. Pa. 1991), *aff'd*, 975 F.2d 869, 24 USPQ2d 1318 (Fed. Cir. 1992)(diligence on the part of the owner is necessary where that owner's putative representative fails to take timely and proper steps with respect to a proceeding before the Patent and Trademark Office; R.R. Donnelley & Sons v. Dickinson, 123 F.Supp.2d 456, 460, 57 USPQ2d 1244 (N.D. Il. 2000)(failure of assignee to exercise diligence for a period of seven years precluded acceptance of the maintenance fee). Acknowledging this, petitioner argues that it was reasonable to rely on the firm of Jenkins & Gilchrist to pay the maintenance fee. However, considering the letter/e-mail should have been sent by Jenkins & Gilchrist requesting authorization or instructions back in May of 2001, assignee did not use the care or diligence that is generally used and observed by prudent and careful persons in relation to their most important business with respect to the payment of the maintenance fee.

DECISION

Petitioner has failed to meet his burden of proving to the satisfaction of the Director the entire delay in submission of the maintenance fee herein was unavoidable within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b). Accordingly, the maintenance fee will not be accepted, this patent will not be reinstated, and the patent remains expired. The petition is **denied**.

Petitioner is advised, however, that the USPTO is not the forum for resolving a dispute between a patent owner and his representative as to who bore the responsibility for paying a maintenance fee. See Ray, supra.

The USPTO will not further consider this matter. See 37 CFR 1.378(e).

The maintenance fee and surcharge will be refunded in due course to petitioner's credit card.

Telephone inquiries regarding this decision should be directed to April M. Wise at (571) 272-1642.

A handwritten signature in black ink, appearing to read 'Anthony Knight', is positioned above the printed name and title.

Anthony Knight
Director
Office of Petitions